

W. 10.a.

BOARD COVER MEMO

DATE: March 26, 2007
TO: Lane County Board of Commissioners
DEPT.: Public Works/Parks Division
PRESENTED BY: Todd Winter, Parks Manager

AGENDA ITEM TITLE: ORDER/IN THE MATTER OF ALLOCATING \$35,000 IN TRANSIENT ROOM TAX SPECIAL PROJECT FUNDS TO PUBLIC WORKS PARKS DIVISION, FOR PARKS PROJECTS RELATED TO TOURISM.

I. MOTION

IN THE MATTER OF ALLOCATING \$35,000 IN TRANSIENT ROOM TAX SPECIAL PROJECT FUNDS TO PUBLIC WORKS PARKS DIVISION, FOR PARKS PROJECTS RELATED TO TOURISM.

II. AGENDA ITEM SUMMARY

The Board is being asked to approve allocation of \$35,000 in Transient Room Tax Special Projects funds to Public Works, Parks Division, for tourism projects in Parks Operations and Covered Bridge programs. The \$35,000 is requested to be split between two programs with \$14,000 for General Parks tourism and \$21,000 for Covered Bridge tourism projects.

III. BACKGROUND/IMPLICATIONS OF ACTION

A. Board Action and Other History

Covered Bridge tourism projects - As a division of Public Works, Lane County Parks manages and maintains 71 recreational sites throughout Lane County. Operations, maintenance and improvements are funded with a combination of Special Revenues, user fees, grants and system development charges. In recent years, Covered bridges that are no longer eligible for Road Fund

resources have been added to Parks maintenance programs.

Lane County Public Works is proud of its covered bridges, sixteen of which are listed on the National Register of Historical Places. Timely rehabilitation and continued good maintenance are a must to continue to attract tourists and maintain placement on the National Register. Covered Bridges are expensive to maintain and the Parks Division struggles to meet the needs of the bridges within its care.

In December 2005, the Public Works Administration and Parks Divisions launched the Lane County Covered Bridge Commemorative Coin project, with the Goodpasture Bridge coin. This project was conceived to showcase the seventeen covered bridges in Lane County, promote tourism in the region through an understanding of the history and value of each individual bridge to the community and to help pay for the maintenance of the out-of-service covered bridges in Lane County that are not eligible for Road Fund expenditures. In 2007, the Commemorative Coin project was expanded to include additional Covered Bridge memorabilia including original oil paintings, prints and soon glass ornaments. There are 17 Covered Bridges in Lane County and plans include marketing all 17 within 8 years, which began in FY 05-06 with two Covered Bridges.

The cost to produce the coin, including design, set up fees, manufacturing, and the purchase of silver currently runs 38-52% not including any marketing, shipping or staff development time. Silver is a precious metal and is purchased like a commodity. As such the price can vary significantly. The selling price of the coins is adjusted to try to meet a minimum direct profit margin of 50%. The Lowell Bridge coin, the second in the seventeen coin series, was released in July of 2006, with manufacturing in May/June 2006. Production costs for the Lowell Bridge coin totaled \$9,170. Sales revenue totaled \$17,915 with a direct profit margin of \$8,745, just 48.82% to cover marketing, planning and sales costs. After these costs are covered the remainder goes to Covered Bridge maintenance for out-of-service covered bridges in Lane County. Revenues from coin sales are being collected in a separate fund for maintaining the covered bridges.

Given the success of the covered bridge coin program, the Parks Division and Public Works have expanded the merchandising of the covered bridges in Lane County to include original artwork of each bridge and associated numbered prints of the artwork, ornaments, and sun catchers that display the various covered bridges. Early marketing efforts of these items have been very positive with the Office Bridge artwork numbered prints selling out very quickly. The up front costs to these items include the scanning and printing for the prints; and artist fees, set up, and materials costs for the glass ornaments. The ornaments

will be manufactured by Aurora Glass of St. Vincent de Paul.

Additionally, the release of each coin has been in conjunction with a local community event that attracts visitors from out of the area. For example, the Lowell Covered Bridge Coin was released in conjunction with the opening of an interpretive center and the annual Blackberry Jam Festival. The coin releases and County participation in the events has been a welcome addition to the local economic centers.

Lane County Parks tourism marketing activities – Discretionary Special Revenues available to Parks are diminishing or being replaced with non-discretionary revenues like the proposed swap between Car Rental Tax Revenue and Transient Room Tax Revenue (TRT). TRT revenue is eligible to be used for expenses related to overnight stays. It will benefit Parks to increase the volume of overnight stays. In order to do so Parks must market the recreational sites that have overnight facilities.

Additionally, tourism and Parks marketing activities such as printing the Lane County Roads and Recreation Map are accomplished annually. Newly updated and extensive guides to all recreation resources in Lane County are high-quality materials and utilize the latest technologies. Cities and local chambers of commerce provide input for local attractions and businesses that support tourism. The Lane County Roads and Recreation Map, for example, provided a single, easy reference to all recreation activities in the County. Sites were listed with associated facilities and features, as well as contact information for the managing agency. Marketing materials are developed with input from the U.S. Forest Service, Army Corps of Engineers, Oregon State Parks, B.L.M., cities, and local chambers of commerce to ensure a comprehensive account of all resources. This brochure will need to be updated with information regarding availability of Parks and closures .

A second reprinting of our site plan and trail map made available on our website of the Howard Buford Recreation Area is nearing completion. The Howard Buford Recreation Area receives nearly 300,000 visitors annually. It is the park's many amenities that attractive a variety of visitors. Featuring over 17 miles of hiking and equestrian trails, the Mount Pisgah Arboretum, an outdoor horse arena, a native plant nursery, the confluence of the Coast and Middle of Forks of the Willamette River, and Winter & Summer solstices sculpture at the peak of Mount Pisgah, the park brings many visitors from different walks of life to the park for one reason or another. To attract visitors to the park, the Howard Buford Recreation Area brochure & trail map was created. The last update and printing of the brochure took place in January 2001. Some of the amenities listed above did not exist in 2001.

Parks Division employees, with assistance from Geographic Information System (GIS) specialists from the Department of Public Works, have updated the trail map and are currently working on the verbiage update for the brochure. This brochure/trail map helps attract visitors to the area by being made available through many outlets; Parks website, CVALCO, the Arboretum, Parks, and Public Works' lobbies, and will be added to the County e-Store, REI store, and other possible outlets once updated. The brochure/trail maps will also be available at the three trailhead kiosks located inside the Howard Buford Recreation Area. Currently, black and white copies of only the trail map are available at the park. These black and white copies are being provided to assist visitors until the updated brochure/trail map can be printed.

B. Policy Issues

No policy issues have been identified. Chapter four of Lane Code identifies collection and distribution of Transient Room Tax.

C. Board Goals

This action is identified in the Tourism and Visitor Services Marketing plan that has been adopted by the Board. Section I, Goal, to increase visitor volume, visitor spending and economic impact for Lane County by providing quality services in direct interactions with visitors and potential visitors.

D. Financial and/or Resource Considerations

The Parks Division is accounted for in a Special Revenue Fund, which must continually balance the operational needs and customer desires. There is a strong interest from the Parks Division to improve service to the customer, expand the customer base, and add value to the local communities near parks without additional ongoing costs to the Division. The present financial situation does not allow for funding for tourism related projects, though marketing and strengthening the relationships between the Parks Division and local communities is an essential business strategy for both.

In the coming fiscal year 07/08, Parks Division revenues will be negatively impacted by the pending redirection of Car Rental Tax revenues into the general fund. The Lane County Parks Division, in keeping with industry standards, recognizes the need to implement new and updated tourism products. The Parks Division currently has several projects related to tourism and has

insufficient operating funds to support these developments and updates.

The Parks Division is requesting that \$35,000 of the Tourism Special Project reserve be allocated to marketing and tourism activities within Parks. These activities would include \$14,000 for marketing of Parks sites and facilities including but not limited to: recreational sites, boat ramps, picnicking, camping and Camp Lane. In addition, \$21,000 would be included for production and marketing of two Covered Bridge Coins and corresponding memorabilia.

This allocation will not negatively impact the Tourism Special Project Grant Program and its' planned allocation of \$150,000 this year. Currently, the TRT Special Projects Fund has a reserve balance of \$99,000 over and above the expenses currently budgeted. Adequate funding for this request is readily available.

E. Analysis

Lane County Parks serves approximately 3,000,000 visitors a year, from many states in the U.S. as well as Canada. Lane County Parks Division currently owns and manages 71 park properties. Fern Ridge Lake is known as one of the best sailing lakes west of the Mississippi River, and hosts large regional and national regattas on a regular basis. Lane County Parks operates seven Class A parks, Baker Bay Park, Richardson Park, Orchard Point Park, Perkins Peninsula Park, Armitage Park, Hendricks Bridge Park, and Howard Buford Recreation Area. There are fourteen reservable picnic shelters in Armitage, Richardson, Baker Bay, Hendricks and Orchard Point parks. Marinas are maintained at Richardson, Orchard Point, and Baker Bay parks as well. Each of these recreational facilities is part of a local community and an essential partner in the local economy. The economic health of many small communities is linked to the success of efforts to market local recreational areas.

Unfortunately, it was necessary for Parks to reduce its budget significantly in FY 07-08 which included under-funding marketing and advertising. The reduction in marketing and advertising will have an impact on the number of park users and the ability for Parks to fully utilize campgrounds and therefore generate revenues.

In addition, marketing that should be happening now is waiting for completion due to the cost of reorganization and reduction in force necessary due to the FY 07-08 Budget situation.

To make matters worse, Secure Rural Schools reductions in the Road Fund will

soon diminish the size of the Road and Bridge Crews, increasing the need to prepare out-of-service bridges for a few years of low maintenance. To do this, Parks needs to be able to pay for a full season of Covered Bridge maintenance. It would greatly enhance Parks ability to do so if the production cost of the coins and memorabilia could be covered through the Transient Room Tax Special Revenue funding resources.

F. Alternatives/Options

1. Approve the order and allocate \$35,000 in Transient Room Tax Special Projects funds to the Lane County Parks tourism marketing, advertising and covered bridge coin and memorabilia production costs.
2. Approve a different allocation of resources to accommodate specific projects.
3. Request staff to complete further research and return to the Board with additional project options.

IV. TIMING/IMPLEMENTATION

If the order is approved, the division will begin implementing the projects outlined in this memo.

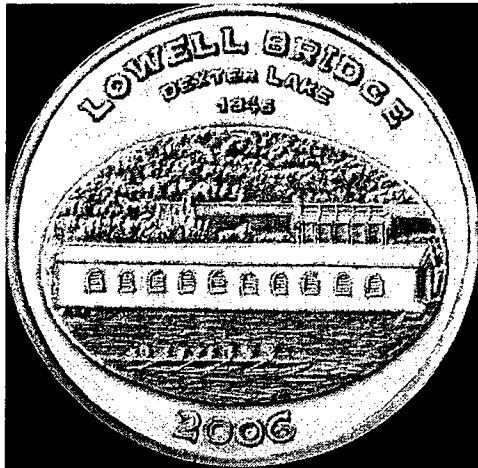
V. RECOMMENDATION

Staff recommends approval of option 1.

VI. ATTACHMENTS

Examples of covered bridge coins
Covered Bridge Coin Revenue & Expense Summary

Attachment 1



Attachment 2

Commemorative Bridge Coin Summary						
	2005	2006	2006	2007	2007	Combined
	Goodpastu	Lowell	Office	Earnest	Currin	Total
Coin Cost:						
Design	160	350	375	125	125	1,135
Bazaar/Vendor Table	9	20	9			38
Back Die (\$500)	29	29	29	29	29	147
Front Die	600	550	500			1,650
Air Tight Capsules	375	450	375			1,200
Coins (.999 fine silver)	4,675	6,870	6,313	7,744		25,601
Strikes		900	1,000			1,900
Serial Numbering	25		25			50
Shipping & Handling	75		40			115
Total Costs	5,948	9,169	8,666	7,898	154	31,836
Revenue:						
Un-numbered Coins	9,460	14,350	12,500			36,310
Auction - numbered Coins	2,905	3,565	1,405			7,875
Total Revenue	12,365	17,915	13,905	-	-	44,185
Net Profit Margin	6,417	8,746	5,239	(7,898)	(154)	12,349
Profit Margin %	51.9%	48.8%	37.7%	#DIV/0!	#DIV/0!	27.9%
Marketing:						
Postcards	39	39	39			117
Full Page Flyer	51	-	-			51
Half Page Flyer	51	-	51			102
Brochure						-
Planning & Development	2,155	1,340	1,340			4,834
Total Marketing & Plann	2,296	1,379	1,430	-	-	5,104
Net Revenue	4,121	7,367	3,809	(7,898)	(154)	7,245
	33.3%	41.1%	27.4%	#DIV/0!	#DIV/0!	16.4%
Total Revenue	12,365	17,915	13,905	-	-	44,185
Total Cost	8,244	10,548	10,096	7,898	154	36,940
Net Profit	4,121	7,367	3,809	(7,898)	(154)	7,245
	33.3%	41.1%	27.4%	#DIV/0!	#DIV/0!	16.4%

IN THE BOARD OF COUNTY COMMISSIONERS OF LANE COUNTY, OREGON

ORDER NO.) IN THE MATTER OF ALLOCATING \$35,000
) IN TRANSIENT ROOM TAX SPECIAL PROJECT
) FUNDS TO PUBLIC WORKS PARKS DIVISION,
) FOR PARKS PROJECTS RELATED TO TOURISM

WHEREAS, the Lane County Parks Division provides a diversity of recreational opportunities in Lane County that are tourism related; and

WHEREAS, the Parks Division has several projects related to tourism; and

WHEREAS, the County has strategic objectives regarding tourism activities in Lane County; and

WHEREAS, the Parks Division, in keeping with industry standards, recognizes the need to implement new and updated tourism products; and

WHEREAS, the estimated cost for new and updated tourism products is \$35,000, \$14,000 allocated to Parks tourism projects and \$21,000 allocated to Covered Bridge tourism related projects; and

WHEREAS, the Parks Division operating funds are insufficient to support this development and updated effort; and

WHEREAS, the Transient Room Tax Special Projects Fund has adequate reserve funds to support this development effort; and

WHEREAS, the reallocation of Transient Room Tax Special Project Fund monies requires the approval of the Board of County Commissioners; NOW THEREFORE,

IT IS HEREBY ORDERED that \$35,000 of Transient Room Tax Special Project reserve funds be allocated to Public Works, Parks Division, for projects related to tourism;

AND FURTHER ORDERED that the \$35,000 be divided between general Parks tourism and Covered Bridge tourism in the following amounts: \$14,000 allocated to Parks tourism and \$21,000 allocated to Covered Bridge Tourism.

DATED this _____ day of April 2007.

Faye Stewart, Chair,
Lane County Board of Commissioners

APPROVED AS TO FORM

Date 3-28-07 lane county

OFFICE OF LEGAL COUNSEL